

Terry Applauds FCC for Moving Order on Universal Service Reform

Commission includes many principles from Terry legislation

WASHINGTON— Congressman Lee Terry (R-NE) released the following statement in response to yesterday's speech by Federal Communications Commission (FCC) Chairman Julius Genachowski in which he unveiled his draft order on the Connect America Fund, a proposal to reform and modernize the Universal Service Fund (USF) and Intercarrier Compensation System. As a leader on the Communications Subcommittee and long time author of Universal Service Reform legislation, Vice Chairman Terry was responsible for many key elements included in Genachowski's speech.

□

"I am confident that this reform proposed by the FCC will provide sizable benefits for consumers in rural areas across the country and I am pleased after eight years of working on this issue, the FCC has finally taken action. These long awaited changes are intended to prevent increases to consumers, while also removing pressure on state funds, thus allowing thousands of Nebraskans more access to the wide array of benefits broadband can provide," Terry said.

Key elements taken from past Terry legislation include:

- Rate-of-return regulation preserved for rural carriers
- Transition for carriers to shift from a voice-oriented fund to a broadband fund
- Avoids unfunded mandates to deploy broadband

- Targets price-cap support to granular areas with the highest costs
- Addresses festering intercarrier compensation issues (phantom traffic, traffic pumping, status of VOIP traffic) and also creates a new intercarrier compensation system that is simplified, streamlined, and can survive in the IP era.
- Allows states to start or continue their own universal service funds

<http://www.fcc.gov/events/chairman-genachowski-speech-usf-and-icc-reform>